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Question1: On behalf of the Union of Concerned Scientists? 100,000 members and supporters, we write to offer the following comments on high priority farm policy considerations. We thank you for considering our comments and hope to see them reflected in the Administrations? farm bill recommendations to Congress.

The Union of Concerned Scientists (UCS) is a nonprofit partnership of scientists and citizens combining rigorous scientific analysis, innovative policy development, and effective citizen advocacy to achieve practical environmental solutions. UCS? Food and Environment Program seeks to ensure that food is produced in a safe and sustainable manner.

UCS supports the Farm and Ranch Lands Protection Program. We also support financial incentives for new farmers in farm bill conservation programs and other programs, such as higher cost-share payments for these individuals.

New farmers and the next generation of farmers cannot succeed without fair competition and fair business practices. The role of government should be to facilitate properly operating markets and to bring balance to the economic relationships among farmers and ranchers, consumers, and food companies. Instead, inadequate federal legislation and the lack of enforcement of anti-trust policies have allowed a handful of corporations to continue to consolidate market power, manipulate prices, and create anti-competitive market structures. Government inaction has a dramatic, negative impact on not only farmers and ranchers, but also on rural communities, the environment, food quality, food safety, and consumer prices. It undermines sustainable production practices and state and local laws that support family-scale, sustainable farm and ranch operations.

UCS recommends that the U.S. Department of Agriculture (USDA) include in its farm bill proposal measures to address competition and fair business practice issues, including a prohibition on packer-owned livestock and provisions to ensure contract fairness in agriculture.

Question2: Reduce Antibiotic Use in Animal Agriculture

The GAO warned in an April 2004 report that the current U.S. approach to antibiotic use in animal agriculture could become a trade problem in the future with the European Union, Canada, and possibly other countries. (?ANTIBIOTIC RESISTANCE: Federal Agencies Need to Better Focus Efforts to Address Risk to Humans from Antibiotic Use in Animals.?) It is important for the USDA and U.S. agriculture as a whole to adjust antibiotic use practices now to prevent future barriers to international

trade.

The routine feeding of antibiotics to farm animals that are not sick promotes development of antibiotic-resistant bacteria that can be transferred to people, making it harder to treat infections in humans. Resistant bacteria can reach people through the consumption of meat, through on-farm contact, and through the environment. Scientific studies have linked the overuse of antibiotics in animal agriculture to antibiotic-resistant infections that cause more severe illnesses, longer hospital stays, and sometimes medical treatment failures resulting in death. The National Academy of Sciences has estimated that antibiotic resistance costs at least \$4 to \$5 billion annually.

The USDA should work with Congress to ensure that a ban on the addition of medically important antibiotics to feed and water should go into effect immediately, before passage of the next farm bill. Medically important antibiotics are those that belong to classes of antibiotics also used in human medicine, namely penicillins, tetracyclines, macrolides, lincosamides, streptogramins, aminoglycosides, and sulfonamides.

Until the time that such a ban goes into effect, the USDA should encourage the increased production of competitive animal products demanded around the world by providing assistance to those producers employing a more sustainable approach to antibiotic use in animal agriculture and to those producers seeking to transition toward more sustainable use. The USDA should aid these producers by funding relevant research, conservation practices, demonstration projects, and transition programs. Moreover, it is of great importance to both human and animal health for the USDA to do a better job of collecting data on antibiotic use in animal agriculture and of monitoring antimicrobial resistance. USDA should make the data available to the public health community and in aggregate form to the general public.

Support Grass-fed and Grass-finished Animal Production Systems

The USDA should provide financial and technical assistance to encourage the increased production of grass-fed and grass-finished animal products, for which there is a growing demand, both in the U.S. and around the world. USDA should increase funding for existing programs that support grass-fed and grass-finished production systems for beef cattle, dairy cows, swine, and poultry, including research programs, value added programs, and extension and outreach programs. USDA should provide assistance to producers of grass-fed and grass-finished animal products for practices such as rotational grazing through the Conservation Security Program (CSP) and the Environmental Quality Incentives Program (EQIP).

Support Country of Origin Labeling

Country of origin labeling (COOL) was passed as a provision of the Farm Security and Rural Investment Act of 2002. This popular measure allows consumers to determine where their food is produced while allowing producers to differentiate their products for quality and safety and enter new markets. It also limits the ability of global food companies to source farm products from any country while passing them off as U.S. in origin. Unfortunately, implementation of this law has been needlessly delayed. The USDA should support mandatory COOL to benefit producers and consumers and should see that it is fully implemented in the near future.

Question3: An October 19, 2005 Washington Post editorial criticized the distribution of subsidies in the current farm bill. This editorial stated,

In both the United States and the European Union, about three-quarters of the loot goes to the top 10 percent of the recipients?In the United States, two in five farmers don't get any subsidy, whereas the richest 5 percent average about \$470,000 each. This preposterous waste of money holds back development in the poor world, contributing indirectly to millions of deaths annually.

UCS believes it is important for the next farm bill to provide significant assistance to small and mid-sized farmers, rather than giving the lion's share of farm bill funds to the nation's largest agricultural operations.

There should be a greater balance between farm bill titles in the 2007 bill, with titles other than Title I gaining in funding. It has been disappointing that both the President's budget and Congressional appropriations have routinely achieved cuts in farm bill spending by disproportionately taking from titles of the farm bill other than Title I. Title II conservation programs have been especially hard hit.

One way to achieve a more balanced approach would be to include Title I payment limitations in the 2007 farm bill. Payment limitations may be appropriate in other titles of the farm bill. For example, Environmental Quality Incentives Program payments should be capped at a lower amount, such as \$100,000, per contract term.

Question4: UCS supports increased funding for the farm bill's conservation title. While we applaud Congress for authorizing strong levels of funding for Title II in the Farm Security and Rural Investment Act of 2002, we have been consistently disappointed that the President's budget each year calls for funding conservation programs at far below authorized levels. In addition, when Congress has sought to reduce farm bill spending, it has routinely made disproportionate cuts to the conservation title.

UCS supports all Title II conservation programs.

We'd like to take this opportunity to focus in particular on two: the Conservation Security Program and the Environmental Quality Incentives Program.

Conservation Security Program

UCS strongly supports the Conservation Security Program (CSP) as it was envisioned by Congress in the Farm Security and Rural Investment Act of 2002. We would like to see the USDA and Congress work together in the next farm bill to realize this vision. We believe that CSP will be an important program that produces significant, geographically-diverse conservation benefits when it is administered as a truly nationwide program with a continuous open enrollment, offering sufficient incentives for agricultural producers to employ ambitious and effective conservation practices. In other words, we agree with the USDA's assertion that CSP should reward the best and motivate the rest.

Specifically, CSP enrollment should be open to all agricultural producers in the nation regardless of location. Sign up should be continuous. CSP should reward agricultural producers who are already good stewards of the land, as well as those who want to implement needed

conservation practices prior to enrolling in CSP. Agricultural producers who are already good stewards of the land should be given more ? not fewer ? rewards than other agricultural producers enrolled in CSP.

The program should provide sufficient incentives for effective conservation practices. Limits on cost-share payments should be sufficiently high to encourage agricultural producers to continue to undertake ambitious and efficacious conservation practices. CSP cost-share rates should be at least as high as those set for the Environmental Quality Incentives Program. CSP should provide a 90 percent cost share rate for beginning and limited resource farmers. All other CSP participants should receive a 75 percent cost share rate.

CSP should pay for research and demonstration projects on CSP farms. It should support rotational grazing and other pasture management approaches that best protect native animal and plant species.

Environmental Quality Incentives Program

The Union of Concerned Scientists supports farm bill conservation programs only in so far as they are used to produce conservation benefits. We believe EQIP supports many beneficial projects, but under current rules we are concerned that significant amounts of EQIP funds can go to pay for projects that are potentially environmentally harmful, such as the construction of manure lagoons at large concentrated animal feeding operations (CAFOs) and the conversion of wetlands to deep irrigation ponds. We urge the USDA and Congress to work together towards an EQIP in the 2007 farm bill that is a true conservation program.

To achieve this, UCS supports:

- ? limiting eligibility for cost-share payments for structural practices at livestock operations to those with fewer than 1,000 animal units;
 - ? significantly reducing the dollar maximum per contract to well below the current \$450,000;
 - ? increasing the minimum term of contract; and
 - ? providing greater balance between EQIP funds targeted to livestock operations as compared with other operations.
- EQIP should not underwrite and promote the expansion of large CAFOs.

We recommend that USDA give the highest priority for use of EQIP livestock funds to sustainable livestock and poultry producers whose systems are designed to minimize the risk of harm to natural resources and public health, or to those operators seeking to transition to such systems. For example, EQIP funds should be used, in the case of livestock operations, for managed rotational grazing, pasture and range management, hoop houses, composting, and other environmentally sound non-confinement alternatives to large-scale animal operations.

To the degree that EQIP funds are directed to CAFOs, USDA should focus this funding to providing long-term solutions to environmental and public health threats posed by existing CAFOs. These funds should not be provided to new or expanding CAFOs. EQIP should aid producers who agree to end the routine use of medically important antibiotics for nontherapeutic purposes. We recommend that all EQIP contracts that require Comprehensive Nutrient Management Plans (CNMPs) be ten-year contracts.

The next farm bill should not allow EQIP funds to be used to re-construct waste handling and management facilities with demonstrated design and operation flaws, particularly large-scale liquid waste lagoons and effluent sprayfields. EQIP cost-share funds should not be used for structures and waste handling facilities located in 100-year floodplains, except to help producers safely remove the facilities from the 100-year floodplain.

USDA should restore conservation planning language from the 1996 EQIP rule. It is essential that USDA require EQIP Plans of Operations to assess the resources (such as soil, habitat, and water resources) present on the farm or ranch that is the subject of the contract. An analysis of the environmental challenges facing the property must be required, as well as the most cost-effective practices to solve the challenges.

USDA must retract its overreaching interpretation of privacy provisions relating to EQIP. Privacy arguments should not be used as a barrier to sound administration, public participation, and public accountability of this program.

Question5: The USDA should ensure that the assistance provided through the farm bill is more evenly distributed, so that small and medium-sized producers around the country will be able to thrive. Reasonable caps on Title I payments would allow better funding for other farm bill titles, such as conservation and rural development. USDA Value-Added Producer Grants provide one specific example of a program meriting greater funding for the purpose of enhancing rural economic growth.

In addition, the USDA should remove barriers to competition that push so many agricultural producers out of business.

Question6: The USDA should work with Congress to ensure that the 2007 farm bill includes sufficiently funded programs that support the production and marketing of highly valued agricultural products, including organic foods, grass-fed and grass-finished animal products, meats raised without the nontherapeutic use of medically important antibiotics, regionally and locally produced foods, and foods produced at independent small and medium-sized farms and ranches. UCS would like to see that strong funding is both authorized and appropriated for appropriate research, technical assistance, demonstration projects, transition programs, and marketing programs in support of these products.

Trustworthy labels are key to ensuring the continued growth of the burgeoning markets for these products. The USDA must ensure that labels are clear and meaningful and that they are strictly enforced. USDA should not succumb to pressures from industry to weaken standards; to do so would undercut the long-term economic viability of these markets.

Take, for instance, access to pasture requirements for dairy products labeled "organic." UCS was deeply disappointed that the USDA rejected the rule change and guidance document adopted unanimously by the National Organic Standards Board (NOSB) that relates to access to pasture requirements for organic dairy products. We believe that the NOSB language is needed to ensure that the organic label is meaningful and conforms to reasonable consumer expectations of organic dairy products. We urge the USDA, in this instance and in future instances, to stand up to industry pressure and act to strengthen, not weaken, the integrity of such labels.

The USDA can do much to aid producers of these products through research. For example, the USDA can help the U.S. meat production sys